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is said regarding water and telephone company securities. The book shows clear evidence of haste and lack of perspective; the author has "read up" his subject almost hurriedly, but the reader is in doubt whether or not he has either a wide familiarity or mastery of it. One is surprised that "The first convertible bond was issued by the Erie Railroad in 1843" (p. 136). There are some inexcusable blunders—as 3.07 per cent net yield for the American Gas & Electric preferred stock (p. 209). Such statements as "From the investor's point of view it may be said that short term notes are seldom issued except by railroad corporations of excellent standing" (p. 140) are glaringly superficial.

The text of *Corporation Finance* adds one more to the already large number of texts and handbooks on the subject. It deals especially with the finance of small corporations and in that sense serves a very useful purpose. It shows clear signs of hasty preparation, and many of the chapters are not of much permanent value or even enlightening to the general reader; especially is this true of chapter 19 on Reorganization.

ARTHUR S. DEWING.

*How to Find Factory Costs.* By C. BERTRAND THOMPSON. (Chicago: A. W. Shaw Company. 1917. Pp. 191. \$3.00.)

*Factory Accounting.* By FRANK E. WEBNER. (Chicago: La-Salle Extension University. 1917. Pp. xii, 345. \$3.30.)

*Cost Finding.* By DEXTER S. KIMBALL. Modern Business, Vol. 10. (New York: Alexander Hamilton Institute. 1917. Pp. xvi, 338.)

*How to Find Factory Costs*, the publishers announce, is a development of a variety of material published as separate articles in their well known monthlies, *System* and *Factory*. "These articles," the preface continues, "have usually shown applications to special lines of business, and, on account of this fact, and the limitations of space, they have not individually been able to handle the subject in comprehensive detail. The services of a competent expert have therefore been enlisted to outline briefly and clearly the elements of a good cost system in such a way that it can be understood and applied by the average manager and the average accountant of the average small plant . . ."

The style of exposition and the typographical arrangement are both calculated to make the book easy reading even to a novice in such matters, and the material presented in the 120-odd pages

of reading matter, which is accompanied by 60 pages of shop photographs, diagrams and charges, is readily understandable for one who is reasonably familiar with the subject-matter, but it is too much to expect of this volume (or any other) that it will supply directions from which an average manager or shop accountant can devise and install a cost system.

The volume properly emphasizes the importance of controlling material and material costs by systematic storage and suitable records and accounting. It is a disappointment, however, not to find any mention of material overhead or burden (apart from other overheads or burdens) which has come to be a well recognized feature of modern cost accounting.

In the discussion of direct costs mention is made of the three characteristic methods of recording labor charges; but on this topic, as on material, if the attempt is made to present such details of practice, there is need for going still further and showing just how the cards will be handled in the cost department, and proved with the totals in an adequate way. A considerable section of the book is devoted to the general subject of manufacturing overhead or burden, and here the exposition falters over technical details, such as goodwill, which is no part of manufacturing cost, and handling rent paid to a landlord or reckoned as an equivalent on property owned. The discussion of the pros and cons of interest on investment as a charge to cost does not do justice to either side of the argument. The conclusion that "the preponderance of logic is in favor of excluding interest from the cost of production" is contrary to the practical sense of the manufacturers who have given any adequate attention to costs, and at variance with the opinion of most professional cost accountants. There is a concise discussion of the theory of depreciation but no practical directions how to get depreciation into costs.

The volume abounds in sensible suggestions that almost any manufacturer may note to his advantage; for example, the emphasis on a regular and systematic charge of depreciation irrespective of profits, the practical importance of checking waste of labor and material, and knowing costs accurately.

To some readers the frequent "popular" headings will be objectionable, since they interfere with connected reading. It is also an annoyance not to find a form by the number to which reference is made. If page references are useful (as they undoubtedly are) they should be given uniformly.

Three of the concluding chapters are by other authors, and, though all are well written, two of them are not closely knit in to the plan of the work.

*Factory Accounting* is one of the texts for the instruction in higher accountancy given by LaSalle Extension University. It aims to cover more ground under this title than did the author's previous bulky volume on *Factory Costs*, although comprehending cost accounting. In the preface the author says, "Its principal claim for a place among the many splendid texts already published is its presentation of working methods and efficient technique." In accordance with this plan there are 84 illustrations, many of them being folded inserts carefully drawn and well printed.

In contrast to the volume edited by Mr. Thompson, reviewed above, Mr. Webner's book is clearly marked as the work of one author. It shows sustained effort in composition, and will seem to many too full of elaboration and detail. The numerous charts and forms tend to fix attention on ways to perform details rather than on principles, or the structure of a cost accounting plan.

The book is not in any sense easy reading, and it seems to the reviewer likely to be useful only in connection with seasoned and competent teaching, or to one who has time and inclination for the most painstaking reading and study. Since the author is well known as a professional cost accountant the volume deserves consideration and a place in any comprehensive accounting library, but it is much to be regretted that the style and arrangement of the work does not make the essentials and significance of good cost accounting stand out more clearly to the average reader.

*Cost Finding*, which is one of the Modern Business series of the Alexander Hamilton Institute, is frankly an elementary manual, reminds the reader of a textbook on economics arranged for high school students. The chapters are brief and each one is followed by "review" questions—the familiar device to guide the beginner's untrained thoughts. Every second or third paragraph has a topical heading useful for ready reference and very suitable and helpful in a work of this character.

It is a disappointment, however, to find the volume entitled "Cost Finding" especially when the author explicitly states (p. 10) that "Cost finding is that part of general accounting which deals with the finding of detail costs which make up the general or sum-

marized costs." It is true that "Cost finding *can* be carried on with little reference to the general accounts," but it is a shame to mislead readers with the statement that "cost accounts are *usually* conducted as an independent investigation, the cost summaries not necessarily being merged into the general accounts."

To the contrary, the gospel needs everywhere to be preached that cost records which are not solidly "tied in" with the general accounts are dangerous, and likely to prove most unsatisfactory and misleading to the manufacturer who places his trust in them.

Aside from this defect in a statement of general principle in the introductory chapters, the text deserves warm commendation as a beginner's book on costs and related subjects. It is well arranged, well printed, and it accomplishes the object stated in the preface of "discussing fundamental principles in a direct and simple manner." It can be safely recommended to any one who wants to get an introduction to the principles and accepted shop and factory practice on such matters as purchasing, receiving, storing, and issuing material; labor costs and various wage systems; and the analysis determination and distribution of expense or burden. On all these points it presents conventional material in an orderly and helpful way.

CLINTON H. SCOVELL.

#### NEW BOOKS

BARTHOLOMEW, J. R. *The Equitable Trust Company of New York rapid bond tables; for bonds bearing interest at the rate 3%, 3½%, 4%, 4½%, 5%, 6%, and 7%, and maturing in from 6 months to 50 years, in half yearly periods, with basis prices ranging from 3% to 6% in advances of 5/100 of 1% with 1/8, 3/8, 5/8, and 7/8 differences.* (New York: The author, 120 Broadway. 1917. Pp. 403. \$15.)

BAYS, A. W. *The law of bankruptcy, and debtor and creditor, containing the text of the federal bankruptcy law. With questions, problems, and forms.* Second edition. (Chicago: Callaghan. 1917. Pp. 326.)

BOLTON, R. P. *A municipal experiment; or, the Hall of Records power plant.* (New York: Bureau of Public Service Economics. 1917. Pp. 236. \$1.25.)

COLLIER, W. M. *The bankruptcy act of 1898, approved July 1, 1898; amendments approved Feb. 5, 1903, June 15, 1906, June 25, 1910, and March 2, 1917. Indexed, together with general orders in bankruptcy and official forms in bankruptcy.* Reprint from *Collier on Bankruptcy*, eleventh edition. (Albany, N. Y.: Bender. 1917. Pp. 1189-1516. \$1.)